(c) The Department of Public Enterprises has not received any representation to this effect and thus there is no such proposal to issue any guideline in this regard.

Soil Notes

3126. SHRI AJOY MUKHOPADHYAY : Will the Minister of FINANCE be pleased to state :

(a) whether the people are facing difficulties to exchange soil notes;

(b) whether a large number of soil notes are in circulation in the country;

(c) whether any steps have been taken to withdraw these notes from the market; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) As per standing instructions issued by the Reserve Bank of India (RBI), all the branches of public sector banks have been authorised to afford free facilities not only to their own customers but also to others, for exchanging soiled currency notes including certain categories of mutilated notes. As and when complaints are received by the RBI, the same is looked into.

(b) to (d). Due to capacity constraints, the note printing presses in the country are not able to fully meet the ever increasing requirement of fresh notes by RBI. The gap is met by recycling the notes in circulation again and again and, as a result, the quality of notes in circulation has deteriorated. Such notes are withdrawn in phased manner by the Issue offices of RBI through more than 4000 currency chests maintained at public sector banks, as well as Govt. Departments and public. On an average, every year 4000 million pieces of soiled notes are withdrawn from circulation.

[Translation]

I.T. Exemption to Legislature

3127. SHRI THAWAR CHAND GEHLOT : Will the Minister of FINANCE be pleased to state :

(a) whether the Madhya Pradesh Government has requested the Union Government to give income-tax exemptions to legislatures of the State during 1995-96 and 1996-97; and

(b) if so, the details of action taken in this regard?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir. Two requests have been received from the Madhya Pradesh Government, the details of which are given in the reply to part (b) below.

(b) The first request of the Madhya Pradesh Government was to exempt the telephone allowance received by members of the Madhya Pradesh State Legislature, under sub-clause (iii) of clause (17) of section 10 of the Income-tax Act, 1961 to the extent of Rs.600 per month in aggregate. This request has been accepted by the Central Government and notification to the effect that telephone allowance will be exempt under sub-clause (iii) of clause (17) of Section 10 of the Income-tax Act, 1961 to the extent of Rs. 600 per month in the aggregate has been issued and sent for publication in the Gazette of India.

The Second request of the Madhya Pradesh Government was to fully exempt the constituency allowance received by the Members of the Madhya Pradesh State Legislature by incorporating a suitable amendment in Sub-clause (ii) of clause (17) of Section 10 of the Income-tax Act, 1961. At regards this request it is stated that various policy measures and amendments of law are considered by the Government as a part of budgetary exercise every year and the Government decisions are reflected in the budget documents. At this stage it will not be possible to make any comment.

[English]

Trade Agreement with Bangladesh

3128. PROF. JITENDRA NATH DAS : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have made an agreement to start trade with Bangladesh; and

(b) if so, the details thereof alongwith the items of trading?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). The Current Trade Agreement between India and Bangladesh was signed on 4th October, 1980 for expansion and promotion of trade between the two countries. The agreement was initially for a period of three years and this has been extended for successive periods of three years since 4.10.83. The agreement was last extended for a further period of three years w.e.f. 4th October, 1995. The agreement governs the trade relations between the two countries and provides for cooperation between India and Bangladesh in all the areas relating to bilateral trade. The Main features of the Agreement are :-

(i) the bilateral trade shall be effected in freely convertible currencies,

(ii) both countries shall accord Most Favoured Nation (MFN) status to each other; and

(iii) both Governments shall allow usage of their waterways, railways and road for bilateral trade and for passage of goods between two places in one country through the territory of the other.

The two countries trade in a variety of commodities, details of which are given in DGCI&S monthly publication titled "Foreign Trade Statistics of India", which is available in Parliament Library.